



Colorado  
Legislative  
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MEMORANDUM

April 11, 2013

**TO:** Senator Pat Steadman and Senator Evie Hudak  
**FROM:** Todd Herreid, Fiscal Director (303-866-2633)  
**SUBJECT:** Fiscal Assessment of Proposed Amendment **SB260\_L.007**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **SB13-260**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

**Summary of Proposed Amendment**

Amendment L.007 inserts a total program dollar value of \$5,500,276,794 in the bill to set the value of the negative factor for school finance.

**Fiscal Impact of Amendment**

The fiscal impact of the amendment is to increase school finance funding by \$46.8 million in FY 2013-14.

**Bill's Revised Fiscal Impact with Amendment**

If the amendment is adopted, the bill will continue to be assessed as having a *State and Local Fiscal Impact*. State expenditures will increase by \$46.8 million, which will be paid from the State Education Fund. The highlighted portion of Table 1 illustrates the fiscal impact of the bill with adoption of L.007.

The amendment reduces the value of negative factor by \$35 million compared with current law, to \$1,010,881,297. This represents a 15.52 percent reduction in total program funding for school districts without the negative factor. In addition, setting the negative factor will increase the cost of providing 3,200 new preschool slots in the Colorado Preschool Program (CPP) by \$11.8 million.

As a result, total program funding for FY 2013-14 will be \$5.503 billion, as reflected in Table 2. This amount is \$205 million more than the amount funded in FY 2012-13. Per pupil funding increases by \$167, from \$6,479 to \$6,646, and the state's share increases by \$148 million, from \$3.380 billion to \$3.528 billion.

**Table 1**  
**Fiscal Impact Summary of Senate Bill 13-260, with Passage of L.007**

	FY 2012-2013	FY 2013-2014	FY 2014-2015
<b>State Revenue</b>			
Cash Funds - Child Care Licensing Cash Fund		\$8,239	\$8,239
<b>State Transfers or Diversions</b>			
Transfer from the State Education Fund to the Great Teachers and Leaders Fund		\$200,000	
Transfer from the Public School Fund to the State Public School Fund		5 million	5 million
Transfer from the Public School Fund to the Early Literacy Fund		(16 million)	(16 million)
Transfer from the State Education Fund to the Early Literacy Fund		16 million	16 million
<b>State Expenditures</b>			
General Fund		\$43,897	\$40,605
Cash Funds			
State Education Fund - Total Program		46.8 million	
State Education Fund		30,139,200	28,000,000
State Public School Fund		5,000,000	5,000,000
Great Leaders and Teachers Fund		200,000	
Public School Capital Construction Fund	(\$13,500,000)	(13,500,000)	(13,500,000)
<b>FTE Position Change</b>		0.7 FTE	0.7 FTE
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.			
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.			
<b>Local Government Impact:</b> See School District Impact section.			

**Table 2**  
**School Finance Act Funding under Senate Bill 13-260, with Adoption of L.007**

	Pupil Count	Per Pupil Funding	Total Program Funding	State Aid	Local Share
FY 2012-13 Act.	817,660	\$6,479	\$5,297,963,176	\$3,379,714,291	\$1,918,248,885
FY 2013-14 Est.	828,045	\$6,646	\$5,503,360,718	\$3,527,637,011	\$1,975,723,707
Percent change	1.27%	2.57%	3.88%	4.38%	3.00%
Increase	10,386	\$167	\$205,397,542	\$147,922,719	\$57,474,822